

SENATE TaxExhibit No. 4

Example of How Newly Taxable Interacts With the Calculation of a Taxable Value Neutral Tax Rate

Bill No. _____

2/11/15

Calculation of Taxable Value Neutral Tax Rates for Reappraised Existing Property

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Market Value	\$100	\$160	\$160	\$160	\$160	\$160	\$160
1/6th of Change	\$0	\$10	\$10	\$10	\$10	\$10	\$10
Phase In Value	\$100	\$110	\$120	\$130	\$140	\$150	\$160
Taxable Value	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Set the Tax Rate	50.00%	45.45%	41.67%	38.46%	35.71%	33.33%	31.25%

Taxable Value of New Property and Existing Property

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Phase In + New Value	\$110	\$130	\$150	\$170	\$190	\$210
New Property Value	\$10	\$10	\$10	\$10	\$10	\$10
Total Value	\$120	\$140	\$160	\$180	\$200	\$220
Tax Rate	45.45%	41.67%	38.46%	35.71%	33.33%	31.25%
Taxable Value	\$55	\$58	\$62	\$64	\$67	\$69

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